



ILLINOIS

Bruce Rauner, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

Tom Tyrrell, Director

Ms. Marlene H. Dortch
Secretary, Federal Communications Commission
445 12th St. S.W., Washington, D.C. 20554

August 28, 2015

Dear Ms. Dortch,

Please find attached State of Illinois comments in response to the Second Further Notice of Proposed Rulemaking for Lifeline and Link up Reform and Modernization. We commend the FCC in issuing this rulemaking. The Lifeline program, together with Illinois Link Up provides Illinois residents with a true Lifeline to communicate with family members, access health care and participate in our society and economy.

While there has been a significant reduction in waste, fraud and abuse following the Lifeline rule changes in 2012 we believe further work is needed to ensure scarce Universal Service contributions are provided to those most in need.

Bringing the Lifeline program in line with the 21st century by the inclusion of broadband as an eligible service is welcome and fully supported.

Removing eligibility determination from the provider to a national verifier will help reduce waste, fraud and abuse. We believe this is necessary.

We fully support associating the Lifeline benefit with the consumer, via a portable Lifeline benefit, that the consumer can use with any eligible provider and any eligible Lifeline service. This puts the choice in the hands of the consumer and we believe the quality and capability of service offerings from the provider will increase as a result.

We support the FCC in Lifeline modernization and respectfully submit the attached comments in response to the Proposed Rulemaking. Please don't hesitate to contact me if you have any questions.

Sincerely,

Hardik Bhatt
Chief Information Officer
Office of the Governor, Bruce Rauner
State of Illinois
217 524 7083
hardik.bhatt@illinois.gov

Name of Filing Party: State of Illinois

Date: August 31, 2015

**Before the
Federal Communications Commission
Washington, D.C. 20554**

| | | |
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| In the Matter of |) | |
| |) | |
| Lifeline and Link Up Reform and |) | WC Docket No. 11-42 |
| Modernization |) | |
| |) | |
| Telecommunications Carriers Eligible for |) | WC Docket No. 09-197 |
| Universal Service Support |) | |
| |) | |
| Connect America Fund |) | WC Docket No. 10-90 |
| |) | |

**COMMENTS OF THE STATE OF ILLINOIS REGARDING THE SECOND FURTHER
NOTICE OF PROPOSED RULEMAKING FOR LIFELINE AND LINK UP REFORM AND
MODERNIZATION**

Date: August 31, 2015

The State of Illinois submits the following comments in response to the FCC Second Further Notice of Proposed Rulemaking for Lifeline and Link Up Reform and Modernization.

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Introduction

The State of Illinois is pleased to respond to the Federal Communications Commission (FCC) Second Further Notice of Proposed Rulemaking (FNPRM) for Lifeline and Link Up Reform and Modernization. We commend the FCC in issuing this FNPRM seeking public comment. We do believe further Lifeline modernization is necessary to build upon the modernization effort of 2012 to reduce waste, fraud and abuse and to ensure funds are targeted to those most in need. We fully support modernizing the program to include high speed broadband as an eligible Lifeline service. This will ensure our most vulnerable have the means to access communications of the 21st century.

Contact information

To discuss any aspect of these comments in further detail, please contact

Hardik Bhatt
Chief Information Officer
Office of the Governor, Bruce Rauner
State of Illinois

100 W Randolph Street, 16th Floor,
Chicago, Illinois. 60540.

Tel: 217 524 7083

Email: hardik.bhatt@illinois.gov

Illinois Experience

For services provided in December 2014, over \$4.8M in Lifeline funds was disbursed to 60 Illinois providers corresponding to Lifeline benefits helping approximately 520,208 Illinois consumers.

In addition to consumers and providers, Illinois entities facilitating implementation of the Lifeline program include the Illinois Commerce Commission (ICC), the Illinois Universal Telephone Assistance Corporation (UTAC) and the Illinois Department of Human Services (DHS).

Illinois Commerce Commission

Wireline and wireless providers wishing to offer Lifeline eligible services to consumers in Illinois must seek Eligible Telecommunications Carrier (ETC) status from the Illinois Commerce Commission (ICC). To be granted ETC status, the provider must furnish the ICC information regarding:

- Provider history and experience
- Provider financials
- Service area supported
- Product and service offers
- Compliance with state and federal requirements

Following review, the ICC either grants ETC status (generally with conditions) or denies ETC status for stated reasons. The ICC assigns ETC status to providers for the purpose of receiving High Cost and Lifeline support. The ICC also provides, upon request, limited ETC designation for the purpose of receiving Lifeline-only support.

The ICC performs on-going monitoring of the providers ensuring compliance with the rules. The ICC has the power to revoke ETC status if non-compliance of the rules is found.

Illinois Universal Service Telephone Assistance Corporation

The Illinois Universal Service Telephone Program (www.linkupillinois.org) provides a connection fee benefit (Illinois Link Up) of up to \$35 for Illinois wireline consumers. The program is managed by the Universal Telephone Assistance Corporation (UTAC), which was organized in Illinois in 1993 as a not-for-profit corporation. The Corporation's purpose is to provide supplemental assistance to eligible low income telephone subscribers. The Corporation is subject to regulation by the Illinois Commerce Commission. The organization is supported through voluntary contributions from consumers of local exchange carriers. The supplemental assistance currently is for the one time connection fee to establish voice service known as Illinois Link Up. The program does not provide additional funding for the Lifeline benefit – although this was provided in the past funding constraints resulted in this subsidy being stopped. The Corporation supports Illinois Link Up funding to wireline providers. No Illinois Link Up support is provided to wireless providers. When a provider receives Illinois Link Up benefits the provider also agrees to solicit (for example via a mailer) at least once a year their subscribers to make a voluntary contribution to Illinois Link Up.

UTAC is currently exploring the provision of a one-time broadband connection fee benefit (Illinois Broadband Link Up). This would align with the introduction by the FCC of broadband as an eligible Lifeline service and be consistent with UTAC support of Illinois Link Up for voice service.

UTAC arranges publicity and awareness campaigns for both Lifeline and Illinois Link up. The following summarizes UTAC's efforts to publicize and increase awareness of Lifeline and Illinois Link Up during calendar year 2014 and the first half of 2015.

- Information about Lifeline and Illinois Link Up was distributed to the 1,431 townships in Illinois, targeting the officials who advise residents about available assistance programs, through the Township Officials of Illinois in the first quarter of 2014.
- In the second quarter of 2014, information about Lifeline and Illinois Link Up and a bilingual flier were given to the Illinois Association of Rehabilitation Facilities for distribution to their members, who serve individuals eligible for Lifeline and Illinois Link Up.
- In the third quarter of 2014, UTAC distributed a letter to the editor to newspapers around the State in recognition of Lifeline Awareness Week and distributed information to Illinois State Representatives for Lifeline Awareness Week. The Governor's office issued a proclamation and the ICC placed a banner on their website.

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- Bill inserts about Lifeline and Illinois Link Up have been and will be mailed to existing phone customers by all local phone companies in both 2014 and 2015.
- In the first quarter of 2015, UTAC mailed a memo and English/Spanish flyer about Lifeline and Illinois Link Up to all agencies in Illinois that administer the Low Income Home Energy Assistance Project, enrollment of which gives eligibility to Lifeline and Illinois Link Up.
- The Township Officials of Illinois asked UTAC to follow-up on its 2014 outreach with their members who assist residents in their communities to determine which assistance programs they may qualify for. In the second quarter of 2015, UTAC staff provided information to the appropriate committee members and drafted a memo to be distributed with an English/Spanish flyer to members of the Township Officials of Illinois.
- Phone companies place information about Lifeline and Illinois Link Up in their phone directories each year.
- UTAC maintains a website at www.linkupillinois.org and a Facebook page at www.facebook.com/linkupillinois
- Links to UTAC's website and telephone assistance program information are on the DuPage County Community Resource Information System (CRIS) website and the Illinois Commerce Commission's website.

Illinois Department of Human Services

The Illinois Department of Human Services (DHS), a State agency, makes available to Illinois providers the Lifeline Eligibility Verification System (<https://www.dhs.state.il.us/page.aspx?item=66242>). This database checks enrollment in three programs: Medicaid, Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance to Needy Families (TANF). The use of this database is optional and providers may continue to use their own methods for checking subscriber eligibility. Use of this database does require a provider to complete and sign a Data Sharing and Fee Agreement.

Illinois Response

State of Illinois comments follow the same format as the FNPRM, divided into five sections, A to E. Within each section we comment on certain proposed rules as given below.

State of Illinois comments to the FNPRM are in the following areas:

Section A

- Minimum Service Levels
- Broadband as an Eligible Lifeline Service

Section B

- National verifier
- Interacting with State databases
- Coordinated Enrollment with other Federal and State Programs
- Transferring Lifeline Benefits Directly to the Consumer
- Homeless Veterans and Low Income Veterans

Section C

- ETC Designation

Section D

- Text Messaging

We have no comment for Section E.

Our experience with Lifeline and Illinois Link Up has guided our input. Our input is focused on principles to follow versus the details of implementation. If further information is needed from Illinois regarding the work of the Illinois Commerce Commission, the Illinois Universal Telephone Assistance Corporation, the Illinois Department of Human Services, the Office of the Chief Information Officer or any other State agency, please do not hesitate to contact Hardik Bhatt, the Chief Information Officer for Illinois. Contact details are provided in this document.

Section A

Minimum Service Levels

We believe there should be a minimum service level established for both voice and data, based on market survey and assuming a support level of \$9.25.

Minimum service levels should be established for fixed voice, mobile voice, fixed broadband and mobile broadband, and these minimum service level thresholds should be regularly updated.

Thus, all services available to Lifeline consumers from a provider should meet these minimum service level thresholds. And all Lifeline eligible services the provider offers should be available to Lifeline consumers. We support a rule that ensures providers make all eligible Lifeline services available to consumers eligible for Lifeline benefit and the provider not disallow the Lifeline benefit to be used against services, if they are Lifeline eligible services and if they meet the minimum service threshold.

As discussed in the section titled “Transferring Lifeline Benefits Directly to the Consumer” we believe the Lifeline benefit should be associated with the consumer and should be a portable benefit, available to be used with any provider and with any Lifeline eligible service offered by that provider, assuming the service meets the minimum service threshold levels. The service the consumer chooses will determine

whether any additional funds are required by the consumer in addition to the consumer's Lifeline benefit.

Broadband as an Eligible Lifeline Service

We strongly support high speed broadband becoming an eligible Lifeline service, both mobile broadband and fixed broadband. As is widely acknowledged, to fully participate in today's economy access to broadband is imperative. With no access to broadband an Illinois resident is at a disadvantage when compared with residents that do have access. Access to education, health, public safety, work opportunities and other information is more difficult for consumers without immediate access to high speed broadband.

The State of Illinois supports the necessary rule changes required to allow broadband service to become an eligible Lifeline service.

Section B

National Verifier

Illinois supports establishing a national verifier to determine Lifeline eligibility and strongly supports removal of eligibility determination from the provider. We believe this will further reduce waste, fraud and abuse in the Lifeline program.

We believe consumers should be permitted to directly interface with the national verifier for the purpose of eligibility verification and providing eligibility documentation. This would not preclude consumers from going directly to a provider first, with the provider interacting with the national verifier for the purpose of eligibility verification. The available providers offering Lifeline service could be made available by the national verifier via a call center or the Internet.

Interacting with State Databases

Illinois currently supports and makes available to providers a Lifeline Eligibility Verification System <https://www.dhs.state.il.us/page.aspx?item=66242>. This system verifies enrollment in three federal programs: Medicaid, Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance to Needy Families (TANF). The national verifier could connect to this database for Lifeline eligibility verification as relates to the stated three benefit programs.

Enrollment information for federal programs not included in the Illinois Lifeline Eligibility Verification System is included in multiple databases across State agencies. These databases are not readily accessible and due to resource and budget constraints in Illinois it will be challenging to set up and support connections to these other databases. To the extent costs are not already covered by federal funds Illinois requests the FCC provide appropriate funding from the Lifeline program to set up and support connections to these databases or to conduct a feasibility and implementation study to incorporate these databases into the Lifeline Eligibility Verification System.

Illinois is currently working on a multi-year project to provide uniform or one-stop access to the different federal program databases, but until that is done, federal program enrollment information resides on separate agency specific databases.

Coordinated Enrollment with Other Federal and State Programs

Although in Illinois, there is no formal coordinated Lifeline enrollment program with other Federal and State programs, the Illinois Universal Telephone Assistance Corporation does conduct outreach and publicity throughout the year for the Lifeline and Illinois Link Up program. For example, in the past, UTAC has coordinated with DHS to include a Lifeline and Illinois Link Up brochure in the same mailing as SNAP information.

Given appropriate support from the Lifeline program, Illinois would welcome investigating the combined Lifeline enrollment with other Federal and State programs.

Transferring Lifeline Benefits Directly to the Consumer

We strongly support the transfer of Lifeline benefits directly to the consumer from a third party, providing the consumer with a portable benefit they can use with any provider and with any Lifeline eligible service that provider offers, assuming it meets the minimum service thresholds. This approach of providing a portable Lifeline benefit to the consumer enables them to take ownership of their benefit and seek the service that best suits their needs. The consumer should be allowed to choose the service whether voice or broadband or both and choose whether they use the benefit to fully pay for a service or use the benefit to contribute to a service with the consumer paying the remaining amount.

We believe this will increase competition and increase the quality of services available to consumers.

A consumer Lifeline benefit will encourage higher quality of service versus providing the Lifeline benefit directly to the provider, as is the case today. In Illinois our experience indicates that when a consumer receives what they perceive to be a free service from the provider they are less likely to complain when service quality is sub-par or even when the service is not working. In fact, the ICC has found that when phones and usage are provided at no charge and customers never receive a bill, a customer may receive service in his or her name paid entirely through Universal Service Fund subsidies distributed directly to the customer's telephone provider. Under such circumstances, subsidies may be provided to a carrier in a customer's name - without the customer ever knowing, and without the customer ever receiving service. Where customers don't pay directly for service and have no billing relationship with the provider, risks that error or fraud will be undetected increase markedly.

Homeless Veterans and Low Income Veterans

We support the inclusion of federal programs targeted at homeless or low-income veterans as qualifying criteria for Lifeline support. Specifically, we support the inclusion of Veteran Pension as a qualifying program for Lifeline support. The use of a phone or broadband service by homeless or low income veterans serves as a true Lifeline providing access to people and information that many other people take for granted.

Section C

ETC Designation

The Illinois Commerce Commission (ICC) currently manages the designation of wireline and wireless providers as Eligible Telecommunications Carriers (ETC's). ICC provides ETC designation for both High Cost and Lifeline support and also provides ETC designation for Lifeline-only support. The information collected by the ICC from the provider includes, but is not limited to, provider certifications, provider operating history, provider financial information, provider service area, number of consumers, FCC required requirements and reporting certifications. We support a streamlined ETC designation process. However, we believe a streamlined ETC designation process or a similar Lifeline approval process at the federal level has to be more than a check-the-box certification. To guard against waste, fraud, and abuse of the Lifeline program, an ETC designation process, streamlined or not, must ensure that the designated carrier has the financial and technical capability to provide quality service and the ability and commitment to comply with all applicable rules and laws. To guard against waste, fraud and abuse information similar to the information the ICC collects will be necessary at the federal level, as well as ongoing monitoring of the provider.

Section D

Text Messaging

We would like the FCC to be explicit and consistent in the support or non-support of text messaging. While thus far, text messaging has not been supported as an eligible service, we note that ETC applicants offer the text services included in their Lifeline offerings as proof of the public interest benefits of their offerings and that the FCC has referenced such offerings in its public interest analysis of such applications. See, for example, Federal Communications Commission, DA 14-1722, released November 26, 2014 at paragraphs 23 and 26. Such implied, but not explicit, support for text messaging by the FCC creates ambiguity as to whether the FCC actually credits applicants for offering Lifeline services that include text messaging and how or whether states can and should provide such credit when ETC applicants include, with their Lifeline offerings, unsupported services.

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